

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7084

BILL NUMBER: SB 559

NOTE PREPARED: Jan 20, 2005

BILL AMENDED:

SUBJECT: Equivalent Jobs and Wage Discrimination.

FIRST AUTHOR: Sen. Mrvan

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an employer may not discriminate against an employee on the basis of sex, race, or national origin by paying a wage less than to an employee of another sex, race, or national origin for work in an equivalent job.

The bill requires an employer to keep certain records of wages paid to an employee and to provide certain documentation to the employee, including an annual statement of how the wages were calculated. The bill requires the Department of Labor to adopt rules, including specification of certain criteria for determining whether a job is dominated by employees of one sex, a particular race, or a particular national origin. It allows an employee claiming wage discrimination to file a complaint with the Civil Rights Commission.

The bill also authorizes a civil action against an employer that fails to comply with certain wage reporting requirements or that takes certain discriminatory actions. It provides for damages against the employer in certain circumstances. The bill also makes conforming changes.

Effective Date: Upon passage.

Explanation of State Expenditures: *Department of Labor:* The bill requires the Department of Labor to collect, collate, and publish statistical and other information relating to the working conditions and enforcement of wage discrimination. The Department would have to adopt rules and establish a report that employers would have to submit to the Department. The cost of adopting rules could be absorbed in the current budget. The cost of collecting and analyzing the reports could increase the Department's costs. The cost would depend on the type of analysis and data collected. If 3 additional people would be required, then the cost would be about

\$163,000 per year.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background on Department of Labor Staffing and Budget: The Department of Labor on January 18, 2005, had 36 vacant positions valued at \$1,165,528 and reverted \$476,581 on June 30, 2004.

Civil Rights Commission: Individuals with wage discrimination complaints can file a complaint with the Civil Rights Commission. The increase in the number of complaints to the Commission is unknown.

Background on Civil Rights Commission Staffing and Budget: As of January 18, 2005, the Commission had 9 vacant positions valued at \$318,708 and reverted \$114,898 on June 30, 2005.

Other costs to the state would be as an employer and would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: Local costs would be as an employer.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

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